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SUPERMARKET BUSINESS NAMES SCHNUCK'S RECIPIENT OF ANNUAL AWARD FOR EXCELLENCE

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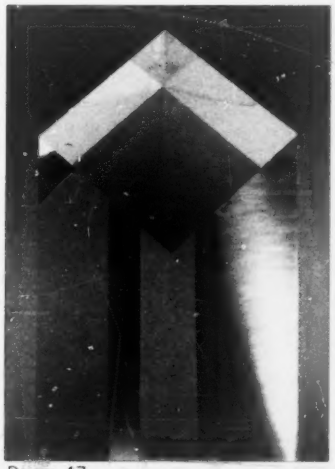
SUPERMARKET BUSINESS

JANUARY 1990 VOLUME 45/NUMBER 1

FEATURES



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Cover photos: Marisa Pellegrini (award), Don McKenna (inset). Pictured on cover, from left to right: Todd, Donald, Terry, Scott, Mark, and Craig Schnuck.

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Self-service deli sales are growing—and not always at the expense of the service deli. The right mix of service and self-service offerings can increase your overall deli sales significantly.

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BPA ABP

The reason I can't write about the '90s is that I haven't the slightest idea of what to say. If anyone can figure out what is going to happen in the next 10 years or 10 months, you are a better man than I am.

Take the economy. It is fashionable right now to predict a recession. After a long period of boom, how smart do you have to be to predict a downturn? This happened in the late '70s. Everybody was predicting a recession from 1975 on. When they finally got it, in the early '80s, it was a lot worse than what they expected. *Fortune* magazine says we are not going to have a recession in 1990. That's good news. I think I'll listen to *Fortune*.

I, for one, do not like recessions. They make me nervous. They make me nervous because I am *not* on a fixed income, and I am not rich. My income can fluctuate. Editors customarily do not get big increases in income during recessions. They get tiny ones—if any at all.

And the accountants look at you as if it's your fault that the economy isn't doing better. They get positively nasty about expense accounts, about taxis and car rentals. "Did you have to go all the way to Reno?" they ask. "Only if I wanted to get to the meeting," I reply. "Part of the way would have done me no good at all." Imagine announcing that you are going to Hawaii. Not on your life.

Another reason I don't want to write about the '90s is that thinking about it makes me very serious, if not actually depressed. The other night I started thinking about having to write about the '90s, and I got so bogged down in Eastern Europe alone that I thought I would never recover.

What happens when all these Eastern Europeans start exercising their pent-up demands for blue jeans and Nintendos? Great for The Gap, you say. Maybe, maybe not. What happens when they start looking enviously at those West German Mercedes and BMWs? I don't care if they do cost only $12,000 in West Germany; that's still a lot of rubles, or whatever.

What happens to U.S. agriculture when it starts exporting to fill those Eastern Europe supermarkets? What happens to the price of beans in the U.S. of A.?

There's a lot of cheap labor available, you say. But that cuts two ways, too, Buster. That could mean that all that cheap labor can start pouring out a lot of cheap food once those collective farms are into the free market. Come 1992, how happy are those European Economic Community chaps going to be to have to compete with cheap-

A threat of world peace is a very serious thing. We've forgotten how to deal with that.

labor Eastern Europe? Will they want to let the U.S. play in the game at all?

And what happens if all this rattles down into a whole reshuffling of the world economy? Do you realize that a threat of world peace is a very serious thing? We've forgotten how to deal with that.

What happens to the world economy when all that money spent for armaments has to be spent on other things? Like bridges, and sewage treatment plants. You can't make any money on sewage treatment plants. That's the public sector. The public sector *spends* money, it doesn't *make* money. A peace dividend? Surely you jest.

What happens if all this results in *lower* prices? That could be a real disaster. We know how to deal with higher prices. We don't know anything about lower prices. Certainly not at the supermarket.

How would you like to explain to the stockholders that your volume is down because prices are down? Do you think that people buy more groceries when the prices are cheaper? Forget it. There isn't a board of directors in the land, let alone a security analyst, that knows how to deal with less total volume than the year before. Every year *has* to be better than last year. That's a rule.

By Ken Partch, Editor-in-Chief

What happens when all the Grummans of the world start making aluminum plowshares? The market for plowshares gets very crowded, is what happens. Who's going to fill all that empty ad space left by Lockheed and McDonnell Douglas in *The New York Times*, *Fortune* and *The Economist*? Not General Motors. It's got its own troubles

That's why I can't write about the '90s. Because it keeps me awake nights. And if I don't worry about Eastern Europe and all its implications, who's going to? Answer me that. Not my wife. She's already being kept awake nights from trying to teach English to all those dummies who think this gravy train is going to last forever. They're all going to be basketball stars, or get a job playing bass on MTV. That's what they think.

And if this isn't bad enough, what happens when all those new free market participants from Eastern Europe—to say nothing of China—start churning out their own Nintendos and mountain bikes, and get their blast furnaces belching carbon dioxide into the atmosphere? Where's your greenhouse effect going now? Hey? They all want air conditioners, too. Where's your ozone layer now, baby?

Oh, it goes on. It gets worse and worse. There's no end to it. Talk about no man being an island . . . That's what I want—an island. Anywhere. Someplace so quiet you can hear your beard grow. Where there are no typewriters and no PCs. Where I won't have to write about the '90s. What was wrong with the '80s? I was just getting used to the '80s. I'd like to stay there.

Oh, there's a spectre loose in the land all right. But it's not the spectre of communism. It's the spectre of a new bunch of cats

Continued on page 11

TRADE SCAN

Sharpen Your Edge in the Sun At NGA's San Antonio Convention

Developing successful competition strategies is the theme of the National Grocers Association convention this month. The NGA Convention & Buying Merchandising Expo, whose theme is "The Winning Edge," is scheduled for January 21-24 at the San Antonio Convention Center in San Antonio, Texas.

The opening general session will kick off with a lively debate between industry and government experts on today's economic challenges led by Arthur Miller, professor of law at Harvard Law School, correspondent of ABC-TV and host of the nationally syndicated series *Headlines on Trial*.

But, of course, no convention would be complete without some well-known sports figures. NGA's include two former quarterbacks, the Pittsburgh Steelers' Terry Bradshaw and the Dallas Cowboys' Roger Staubach.

Entertainment is headlined by singer Johnny Mathis and includes a Dessert Party in a replica of Texas's own Gilley's nightclub.

Health Survey Reveals a Consumer Confused About Conflicting Claims

One can fairly conclude from a new survey that a combination of product health claims, contradictory medical evidence and poor communication about disease risk factors is confusing a majority of consumers about how to eat heart-healthy diets.

The survey, by *Prevention* magazine, divided the adult population into several groups. Group names were somewhat arbitrary; for example, the majority of the fittest group, the "Healthy and Wealthy," earn $35,000 a year or less, while just 23 percent earn more than $50,000.

The H&W group represents about 25 percent of the population. "Safe and Satisfied," the next healthiest group according to *Prevention* criteria, are generally blue collar or professional, earn less than $25,000 a year, and are satisfied with their level of health maintenance effort.

"Sedentary but Striving" individuals are healthier than average, but want to improve.

The "Young and Reckless" represent the 38 percent of the population who have health knowledge, but don't act on it.

The "Fat and Frustrated," want to be healthy, but lack the know-how and resources to get there. They are split between blue collar and professionals, and earn $25,000 or less.

The "Confused and Indifferent" are overwhelmingly blue collar, earn $25,000 or less, score lowest in health behavior, and don't care.

The survey posed a number of statements about behaviors that bear upon spending and shopping patterns. For instance:

—"I'm often confused about what I should do to stay healthy." To this statement, 38 percent of the C&I, but only 21 percent of the H&W, responded in the affirmative.

—"There are so many different reports on what kinds of foods increase or decrease your risk of heart disease that I don't know what I should or should not eat." Fifty-one percent of all respondents agreed with this statement.

EPA Recommends Ban on Widely Used Fungicide; Predicts Produce Price Hikes of 2.5%

Well, round one of the food safety is over, and it may throw the food industry for a loop. The EPA is recommending the banning of EBDCs (ethylene bisdithiocarbamates), fungicides used to protect a broad range of fruits and vegetables.

As "The Politics of Food Safety" (SUPERMARKET BUSINESS, December 1988) detailed, the United States Environmental Protection Agency was asked by Congress to review crop protection chemicals, including pesticides and fungicides, that had been approved for use before current safety testing was instituted.

That includes a sizable percentage of chemicals used today ... such as EBDCs.

EPA says the ban will increase produce prices by about 2.5 percent. But many members of the food industry believe the price will climb far higher.

Supermarket operators and others also have reacted with dismay to EPA's recommending the ban before determining, in a market basket study, how much of the chemical actually remains on the fruit after it gets to the shelves.

Another important point has been made by the Center for Produce Quality, a foundation established by the Produce Marketing Association and the United Fresh Fruit and Vegetable Association to deal with pesticide and related issues. The association asserts that fungicides, because they are topical protection and don't penetrate fruit, can be washed off.

EBDCs in their maximum allowed amounts can cause four "excess" cancer cases per 10,000 people, according to an EPA test model. But such predictions are notoriously inaccurate, because the amount of pesticide plugged into the test model is almost always far in excess of the amount people consume.

So why did the EPA trumpet its findings so quickly? One reason may be that the Food and Drug Administration's credibility has been undermined by the Alar controversy and the Chilean grape mystery. With these debacles in mind, the EPA is likely to take a very stringent approach pesticides.

As we've said before, folks, get ready to deal with one pesticide issue after another for the duration of the 1990s.

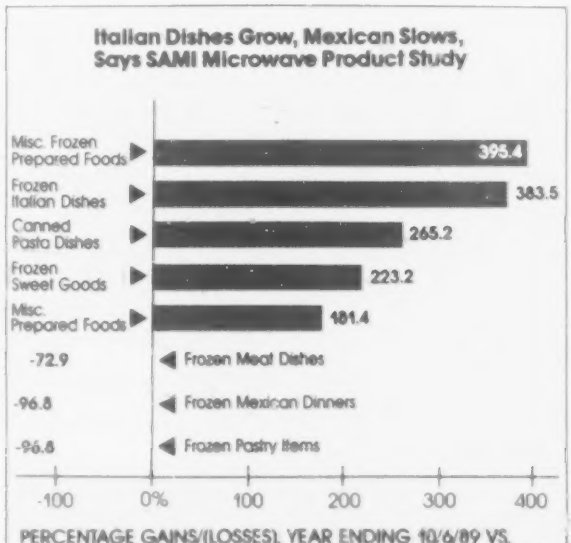
Why I Can't Write About The '90s

Continued from page 5

in the free market game. A game we had pretty well sewed up.

What happens when all those Chinese start driving around on motor scooters instead of bicycles? What happens to the price of oil then? OPEC is once again sitting pretty. Once again, it's long lines at the gas pump.

When I start thinking about the '90s I want to stick my head out the window and yell: "I'm mad as hell! And I'm not going to take it anymore!" The '90s? I'm not going.



When choosing microwavable foods at home, more people are choosing Italian, according to a Microwave Product Report recently released by Arbitron/SAMI. The report, based on SAMI warehouse withdrawal data, compares the 52-week period ending October 6, 1989 with the previous one-year period. During the period, dollar sales of ...

—Frozen Italian dishes showed a 383.5 percent increase.

—Frozen Oriental dishes gained just 19 percent.

—Frozen Mexican dishes were down 34.6 percent.

Illustration: Al Hering

CONVENIENCE IN THE 1990s

FROM NICETY TO NECESSITY

BY CAROL FENSHOLT

In the 1990s, convenience won't be just a store's point of difference —for successful operators, it will be a supermarket staple.

Today, convenience . . . isn't. Today and into the 1990s, convenience won't be a *nicety*, it will be a *necessity*.

Today, says one frozen food company, it wouldn't *dare* bring out a meal that takes more than single-digit number of minutes to put on the table.

Why? No, it's *not* just that today's consumers are spoiled. It's that they're *desperate*. Household income may be higher than ever . . . but so is its price:

A spouse's job helps pay the bills . . . but no doubt about it, you pay, too: Maybe you now throw your own dirty socks in the wash . . . iron your own shirts . . . pick up your own dry cleaning . . . and even do some of your own supermarket shopping.

And, because you're busy doing all *that*, there's no time left to figure out why the deck is creaking or the faucet is leaking or the dryer is squeaking.

So your harried mate makes call after call all over town, in search of repairmen who, it seems, can never be found.

Leisure time halved

That's why, if you're like many of your customers, your household's leisure hours are now just about *half* what they once were . . . dropping from an average of 26 hours in 1973 to a mere 14, according to the recent Coca-Cola Retailing Research Council study.

That's why, these days, convenience isn't merely *convenient* — it's a matter of survival.

That's why takeout food from restaurants has grown over *five times faster* than either grocery sales or in-restaurant eating, the study reports (see graph).

No matter what words consumers use to describe it, whether . . .

- "Avoiding cooking" (60%), or . . .
- "Too tired to cook" (39%), or . . .
- "Saving time" (39%), or . . .
- "Avoiding clean-up" (38%), or . . .
- "Coming home late" (38%) . . .

the message is the same: "*Convenience is critical.*"

That's why amenities such as delis and expanded GM have accounted for more than *one-third* of supermarket sales and profit growth since 1983 . . . while accounting for only about one-seventh of total volume.

But there's more to convenience than shopping for food and food-related items alone . . . and convenience in all of its forms is important to more consumers than just the working husband and wife.

Six groups, many needs

As has been widely publicized, the Cola-Cola study separates U.S. consumers into six distinct groups (for profiles of each, see separate box):

- Avid Shoppers
- Hurried Shoppers
- Unfettered Shoppers
- Kitchen Strangers
- Kitchen Birds
- Constrained Shoppers

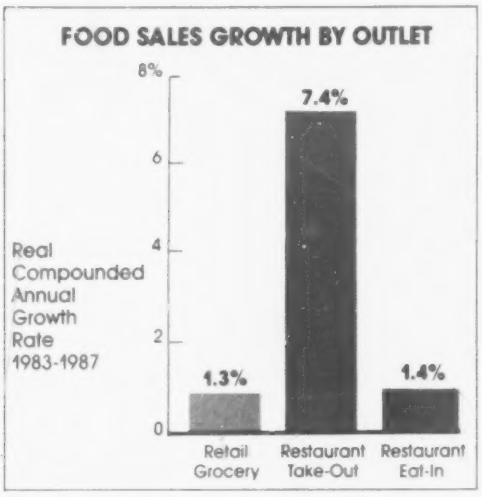
Of all these groups, there's only one—Avid Shoppers—to whom convenience is or will continue to be relatively unimportant . . . and this group is projected to *shrink* from its present one-fourth of all households to just one-fifth during the 1990s.

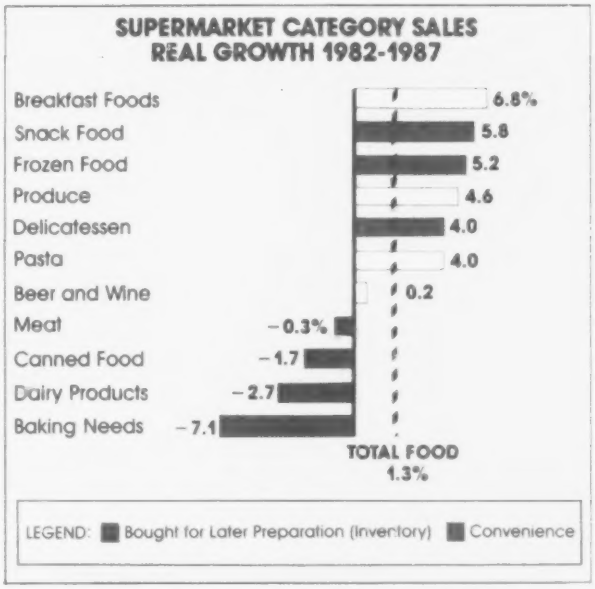
Currently, this group consists of 23 million households, or 26 percent of the total. But over the next 10 years, this group is expected to *decline* to 21 million households, or 20 percent.

By contrast, four of the groups adding up to a full 60 percent or better of American households will be convenience-oriented (albeit for differing reasons) . . . with the rest—the 20 percent who will be Constrained Shoppers—needing convenience, too, but unable to pay a premium for it.

And the need for convenience will be across the board. It will apply to every aspect of ordinary

Weekly leisure hours have dropped to about half what they were in the early 1970s ... from 26 to just 14.



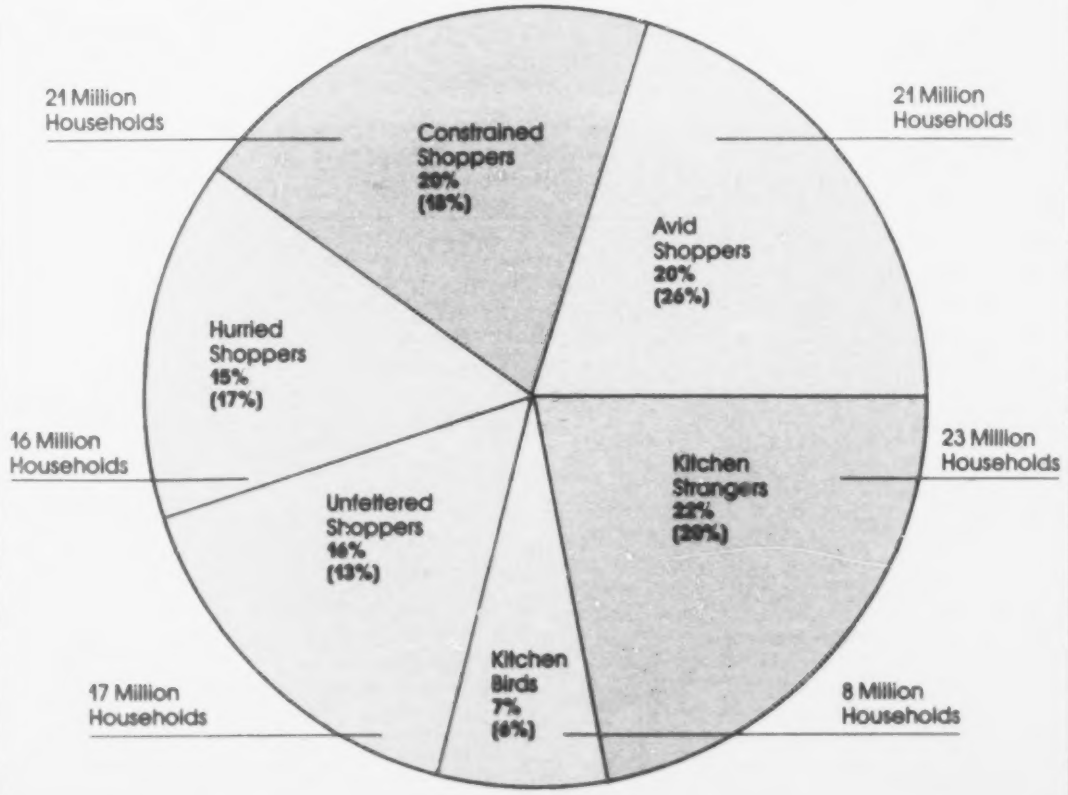


Above and right, the growing need for convenience is changing both *where* and what *kinds* of foods are bought. The trend is expected to continue through the 1990s (below).

SIX CATEGORIES OF AMERICAN CONSUMER

- **Avid Shoppers**—the active cook/shopper/bargain-seekers who have traditionally been the supermarket's core customers
- **Hurried Shoppers**—busy shoppers looking for shortcuts in shopping and cooking
- **Unfettered Shoppers**—mostly older consumers with empty nests and considerable disposable income but less need to shop carefully for food
- **Kitchen Strangers**—sophisticated, childless consumers who are more likely to rely on restaurants than supermarkets
- **Kitchen Birds**—older consumers who eat lightly and are spartan shoppers
- **Constrained Shoppers**—unsophisticated, undereducated consumers with very limited income

PROFILE OF U.S. SHOPPERS IN THE YEAR 2000
(Figures in Parentheses Are 1985 Shares)



Source for all three charts: Coca-Cola Retailing Research Council

life ... 15-minute oil changes from Jiffy Lube, 30-minute delivery of Domino's Pizza, One-Hour Martinizing by the dry cleaner.

And, the Coca-Cola study stresses, no convenience consumers need should be beyond the range of your consideration.

Pace of change quickening

As the Coca-Cola study underscores, the pace of change is faster today than ever before ... even the fast-paced 1980s.

Retailers—especially supermarkets—feel the effects of change more quickly and more directly than most business sectors, the study points out:

- The barriers to entry of some new formats targeting portions of the supermarket's traditional business are quite low. This makes it possible for them to spring up overnight. And, like brushfires, they must be dealt with before your future is out of your own control.
- Even small shifts in volume have enormous implications for profit.

Accordingly, it's important, the study says, "to do what you have always done—adapt—but do it *faster* and *in new and bold ways*."

Needed to do so is "a merchandising strategy, both on an overall and on a category-by-category basis, designed to help achieve (your) objectives in the marketplace."

And *that*, in turn, requires "a management system that enables the organization to pro-actively create and to respond to change."

Questions to open the 1990s

Easier said than done? Always. But you can get the new decade off to a good start, the Retailing Research Council advises, by asking yourself these questions (and re-asking them *regularly*) ...

MERCHANDISING STRATEGY:

- Who, by category, are your key competitors?
- By category, on what basis do these retailers compete? Breadth? Price? Mix?
- Which of your product categories are the money-makers? Which draw traffic and convert this traffic into profits? Are you sure? How can you confirm your judgments?
- Which categories should be focal points for your operation—i.e., categories in which you should dominate? Which should be edited severely? Which should be dropped?

Continued

Most important, do *not* do *nothing!* As the shakeouts of the past decade have proved, change is only truly dangerous for those who *don't* when their competitors *do*.

RISK AND REWARD COMPARISON

	SPECIALTY STORE	NUTRITION	CONVENIENCE	SERVICES	ASSET UTILIZATION
	Pet Store	Eat Right Club	Mini-Store	Home Services Agency	Streamlined Dry Grocery Department
ELEMENTS OF RISK					
Dollar Investment	●	●	●	◔	○
Incremental Space Requirements	●	●	●	◕	○
Compatibility with Existing Operation	●	◕	●	◕	◕
Consistency with Current Customer Behavior	●	○	◕	◕	●
POTENTIAL REWARD					
Size and Profit Potential of Business	◕	◕	●	●	●
Generation of Traffic/Cross-Shopping	●	●	○	●	●

LEGEND: ● ◕ ◑ ◔ ○ Substantial → Modest

In deciding how best to exploit a potential convenience/service opportunity, a risk/reward analysis—shown here for five sample ideas—may prove useful.

Source for all three charts: Coca-Cola Retailing Research Council

Ten years from now, the six consumer categories are expected to fall into the age, income, and family groups shown below. In some areas, such as major metropolitan markets, definitions of low and high income may need to be revised upward, along with dollars spent.

THE COCA-COLA RETAILING RESEARCH COUNCIL

The purpose of the Coca-Cola Retailing Research Council is to identify issues and problems that are considered top priority to food retailers and wholesalers, sponsor research in these areas and encourage the dissemination of findings.

The Council is composed of a representative cross-section of progressive retailers and wholesalers and is sponsored by Coca-Cola, U.S.A. and Coca-Cola Foods. It operates entirely independently in the selection and approval of projects.

The Council was originally founded in 1978 and has operated continuously since that date, producing a total of 10 projects, including Supermarket Merchandising For The 1990s: A Framework For Competing, from which the accompanying data was excerpted. Following is a list of studies sponsored by the Council:

- Social Trends and Food Retailing
- An Economic Analysis of the Food Distribution Industry in the United States
- The Impact of Energy on Food Distribution
- Productivity Improvement Techniques & Strategy for the Supermarket Industry
- Planning Your Financial Growth in the 1980s: A Financial Planning Model for Food Retailers
- Lessons From Japan
- Managing the Large Food Store of the Future
- Improving Store Manager Effectiveness
- Assessing and Capturing the Soft Benefits of Scanning

If you would like a copy of any of these reports, please write to us at:

SUPERMARKET BUSINESS
475 Park Avenue South
New York, NY 10016

Your request will be forwarded to Coca-Cola, U.S.A.

SIZING CONSUMER SEGMENTS

	U.S. HOUSEHOLDS									
		With Children					Without Children			
		Lower Income $10-30,000		Higher Income $$30,000			Under Age 50		Age 50-64	
	Poor Under $10,000	Single Parent	Two Parents	Mother Works	Mother Home High Income $30-75,000	Mother Home Very Affluent $$75,000	Wife Home	Wife Working or Single	Children Left Home	Never Had Children
	Constrained Shopper	Hurried Shopper	Avid Shopper	Hurried Shopper	Avid Shopper	Hurried Shopper	Avid Shopper	Kitchen Stranger	Unfettered Shopper	Kitchen Stranger
Millions Of Households (2000)	20.5	3.3	9.8	12.0	4.5	0.7	1.9	20.7	14.2	1.9
Dollars Per Week Spent On Food Prepared At Home	$25	33	50	56	49	56	36	41	46	39
52 Weeks Per Year	52	52	52	52	52	52	52	52	52	52
Annual Spending Power For Food Prepared At Home ($ Billions)	**26.7**	**5.7**	**25.5**	**34.9**	**11.5**	**2.0**	**3.6**	**44.1**	**34.0**	**3.9**
DOLLARS/WEEK FOR OTHER CATEGORIES										
Food Prepared Away From Home	$10	14	21	42	25	50	19	32	25	28
Non-Food Consumables	$13	16	30	39	37	45	27	20	29	27

SAMPLE IDEAS

IDEA	TARGET SEGMENT					
	Avid Shopper	Hurried Shopper	Unfettered Shopper	Kitchen Stranger	Kitchen Bird	Constrained Shopper
Babysitting While You Shop	●	●	○	○	○	●
Beauty Salon	●	●	◑	○	○	○
Blood Pressure Checkups	●	●	●	○	●	◑
Cataract Checkups	●	○	●	○	●	◑
Children's Photo Studio	●	●	○	○	○	●
Compact Disc Rental	○	●	○	●	○	○
Confectionary Store	●	●	●	●	○	○
Dating Service	◑	●	◑	●	◑	◑
Designer Groceries	○	●	●	●	○	○
Drive-Up Window	●	●	●	●	◑	○
Electronic Kiosk Shopping	◑	●	◑	●	○	○
Ethnic Takeout Food	●	●	●	●	○	○
Express Checkout With No Coupons	○	●	◑	◑	○	◑
Film Processing Minilabs	●	◑	◑	◑	○	○
Gravity Feed Shelves	●	◑	◑	●	◑	●
Home Shopping—Electronic or Phone	◑	●	●	●	●	◑
Insurance Broker	◑	●	◑	●	○	○
Laundromat	●	●	○	○	◑	●
Lending Library	◑	●	◑	○	●	●
Maid Service	◑	●	●	●	○	○
Mass Market Jewelry	●	●	○	○	○	●

IDEA	TARGET SEGMENT					
	Avid Shopper	Hurried Shopper	Unfettered Shopper	Kitchen Stranger	Kitchen Bird	Constrained Shopper
Master Chef Cuisine	●	●	●	●	○	○
Meal-of-the-Week Club	●	●	●	○	●	○
Men's Ties	●	●	●	○	○	○
Mending & Hemming	●	●	●	●	●	○
Menu of the Day	●	●	●	●	○	●
Oil Change While You Shop	●	●	●	●	●	○
Optical Shop	●	●	●	●	●	●
Package Receiving	○	●	○	●	●	●
Pharmacy	●	●	●	●	●	●
Postal Desk/ Package Wrap	●	●	●	●	●	●
Real Estate Broker	●	●	●	●	●	○
Shoe Repair	●	●	●	●	●	●
Singles Night	●	●	●	●	●	●
Slippers/Sneakers	●	●	●	●	●	●
Small Appliance Repair	●	●	●	●	●	○
Snow Shoveling/ Lawn Mowing	●	◑	●	●	●	○
Takeout Food Checkout Aisle	○	●	○	●	○	○
Travel Agency	●	●	●	●	○	○
Typing/Checkbook Service	○	○	○	●	●	●
Vending Machine (Film, Batteries)	●	●	○	○	○	●
Video Dating	◑	●	○	●	○	●

A smorgasbord of new supermarket product and service ideas was generated in the course of preparing the Coca Cola study. The chart shows how likely each idea would be to appeal to each consumer group.

LEGEND: ● ——— ● ——— ● ——— ● ——→ ○
Very Attractive to Segment — Unattractive to Segment

Age 65-74			Age 75+
Lower Income $10-25,000	High Income $$25,000		
Avid Shopper	Unfettered Shopper		Kitchen Bird
4.8	2.9		7.6
31	46		25
52	52		52
7.7	6.9		9.9
15	25		9
20	29		13

- In each of your trading areas, how are consumers changing? What shopping choices do they have *today*?
- How should categories and offerings be balanced to absorb your targeted sets of customers?
- What *relative* advantages (price, quality, convenience) do you have? Which should you offer compared to new competitors (e.g., fast food, discounters, gourmet shops, etc.)?
- What technologies are available (either in the U.S. or abroad) that make possible new or better products and services?

MANAGEMENT SYSTEM:

- Is the organization structured and managed to identify, create, and otherwise bring to the surface new opportunities?
- Who talks to customers to find out what they like and don't like, and where they shop for what kinds of products? *How often* does this communication actually take place?
- Who is charged with the responsibility to constantly re-evaluate the business? How is this accomplished? Do the evaluators have access to the required resources and people?
- What cross-functional groups need to act as ad hoc task forces to re-evaluate how the business is conducted?
- Are measurement and performance systems structured to reward innovation and change?

Consider whole new areas

To help get ideas flowing, the Coca-Cola Retailing Research Council compiled the accompanying list of possible new supermarket services (see box).

To be sure, not all of the ideas are appropriate for you, or for your market. Some are too costly, some too risky, some too minimal in ROI terms. But at least one or more will be worth a try.

Most important, do *not* do *nothing*! Do not fall into the comfortable trap of tradition. Do not be limited by the kind of hidebound thinking that can hobble you.

Yes, it's difficult . . . to allocate the time, attention and resources to a new idea; to spring good people loose to manage and monitor it; even to think about making any kind of change at all.

But as the shakeouts of the past decade have proved, change is only truly dangerous for those who *don't* when their competitors *do*.

And remember, whatever you decide to do, be prepared to deliver it not only *well*, but *fast*.

For in the 1990s, convenience will need to become a supermarket staple. It won't be merely the thing that will give you an edge—it will be what it takes even to stay even. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 9/8/89	4 WEEKS ENDING 10/6/89	4 WEEKS ENDING 11/3/89
BABY NEEDS	**– 3.4%**	**+ 0.9%**	**– 0.2%**
Baby Powders	– 6.4	+11.3	+10.8
Baby Oils, Creams & Lotions	– 5.6	– 5.1	– 6.8
Infant Clothes	+ 0.6	– 2.5	–12.4
Nursing Supplies	– 0.6	+ 1.5	+ 3.9
PERSONAL NEEDS	**+17.8%**	**+18.8%**	**+20.9%**
Contraceptives	+17.5	+15.5	+14.8
Personal Lubricants	+10.6	+21.6	+17.4
Home Testing Kits	+32.8	+20.1	+32.6
Thermometers	+ 8.3	+28.2	+39.4
DEODORANTS	**– 4.6%**	**– 2.9%**	**– 2.3%**
Sprays	–12.0	– 4.0	–12.3
Roll-Ons	–10.3	–12.9	– 7.1
Stick Deodorants & Pads	+ 0.4	+ 2.2	+ 5.0
Creams	–10.1	–12.5	– 5.8
Deodorants & Talcum Powders	– 3.6	– 3.2	– 0.3
Feminine Hygiene Deodorants	– 1.8	– 8.7	–13.7
Foot Deodorants & Athlete's Foot Remedies	+ 3.8	+ 8.5	+ 6.4
Feminine Douches	+ 0.4	– 0.5	– 0.3
FIRST AID	**+ 9.3%**	**+ 0.7%**	**+ 2.4%**
Antiseptics	+ 1.7	+ 1.7	+ 1.2
First Aid Products	+11.6	– 0.1	+ 2.3
Elastic Goods & Dressings	+87.7	+79.6	+76.3
HAIR CARE NEEDS	**+ 1.4%**	**+ 4.1%**	**+ 1.4%**
Shampoos	– 0.5	+ 5.8	+ 2.6
Hair Sprays	+ 5.5	+ 0.7	– 1.7
Hair Conditioning Rinses	+ 2.2	+ 8.3	+ 4.3
Hair Setting Needs	+ 6.2	+10.1	+ 6.5
Home Permanent Kits	– 3.2	+ 3.6	+ 1.6
Hair Coloring	– 2.2	– 0.4	– 5.3
Hair Dressing Needs	– 9.4	–15.5	– 7.1
ORAL HYGIENE	**+ 0.5%**	**– 0.5%**	**– 0.6%**
Toothpastes & Powders	– 2.3	– 2.0	– 1.5
Mouthwashes	+ 3.2	+ 0.9	– 0.6
Breath Fresheners	– 0.3	+ 3.4	+ 6.4
Denture Cleaners	– 4.2	– 1.8	– 9.4
Denture Adhesives	– 0.9	+ 0.8	+ 0.6
Toothbrushes	+ 6.4	+ 1.8	+ 5.7
Dental Aids	+14.3	+ 6.5	– 2.2
PROPRIETARY REMEDIES	**– 1.5%**	**– 1.6%**	**+ 2.0%**
Antacids	– 2.6	– 2.1	– 2.9
Internal Analgesics	– 2.0	– 2.6	– 2.1
External Analgesics	– 9.1	– 0.3	+ 0.3
Cold Remedies	– 0.4	+ 1.8	+ 6.0
Nasal Sprays/Drops/Inhalers	– 4.4	– 2.5	+ 4.1
Chest Rubs	– 0.2	– 0.2	– 8.1
Cough Remedies	+ 0.4	– 5.3	+ 9.3
Laxatives	+ 1.0	+ 3.0	+ 3.9
Sleeping Aids	+ 2.7	– 1.1	+ 5.0
Tranquilizers	+ 1.7	+ 6.0	+ 1.6
Eye Care Products	+ 8.5	+ 8.5	+ 4.2
Appetite Suppressants	–13.3	–22.5	–18.6
Synthetic Vitamins	– 4.9	– 5.7	– 1.8
Natural Vitamins	+ 2.8	+ 1.1	+ 8.6
SHAVING NEEDS	**– 5.0%**	**– 3.6%**	**– 2.3%**
Shaving Creams	– 4.6	– 2.2	+ 4.2
Pre-Shave Lotions	+ 4.8	+ 0.1	– 4.8
After-Shave Lotions	+ 4.9	+ 3.4	– 7.0
Razor Blades	– 6.8	– 6.2	– 4.9
Razors & Blades	+18.7	+35.5	+25.8
SKIN CARE AIDS	**– 2.0%**	**– 4.8%**	**– 4.4%**
Hand & Body Creams & Lotions	– 2.2	– 6.2	– 5.9
Facial Preparations	+ 5.6	+ 8.6	0.0
Lip Care Products	– 3.7	–13.7	– 8.3
Suntan Lotions & Oils	–21.1	–17.0	–30.3
Cosmetic & Medicated Skin Aids	– 3.9 – 2.0	– 1.3	+ 2.4
TOTAL ALL CATEGORIES*	**– 0.6%**	**– 0.9%**	**+ 0.4%**

*Includes new Personal Care category

YEAR-END RALLY IN HBA FOOD STORE MOVEMENT

Five growing categories are added to the monthly tracking report.

BY ALAN MILLER, JR.

After trailing last year's unit sales for comparable periods throughout most of the year, food store unit volume of health and beauty aids rose 0.4 percent during Arbitron/SAMI's 28-day reporting period ending November 3, 1989.

Five new HBA product categories are now included in the chart: the four categories of the new personal needs group, and elastic goods & dressings in the first aid group. All these are relatively low-volume items that have had very strong gains recently, as compared with a year ago. Sales in these new categories are now included in the chart totals for the three reporting periods shown, accounting for slight differences between this chart and the charts that appeared in the two most recent columns.

In spite of the welcome 57-category gain in four-week unit movement, only four of nine product groups enjoyed plus sales. Most of the gain for the November reporting period can be attributed to the high-volume proprietary remedies product group, where the 2% gain represents nearly 2 million units.

At the category level, gains outnumbered losses 31 to 26. Not counting the newly added categories, the highest individual category advance (+25.8%) was found in the small-volume razors and blades category. To a large extent, this was attributable to sales from the newly launched Schick Slim Trim razor. The sharpest category decline, 30.3% for suntan lotion-suntan oil, has little significance at this time of the year.

The HBA sales improvement trend was also detected in national drugstores. Because of the importance of the five newly added categories in drugstores, their inclusion in the total contributed enough volume to bring about an increase of 0.2% over a year ago, compared with a 57-category decline of 2.2% in the preceding period.

In the baby needs group, the 3.9% four-week gain for nursing supplies is in contrast to the gain of only 0.6% on a full year basis. Losses continue to escalate in the baby oils, cream & lotions and infant clothes categories.

The only category in the deodorants group with plus volume is stick deodorants, where the 5% current gain rate was aided by the national introduction of Faberge's new entry. There was also gain (6.4%) among foot deodorants and athlete's foot remedies, but the double-digit loss rates for spray deodorants (–12.3%) and feminine hygiene deodorants (–13.7%) were enough to cause a 2.2% decline in the product group as a whole.

Four of the seven oral hygiene categories experienced a drop in sales, peaked by a 9.4% loss for denture cleaners. A decline of 436,000 dentifrice units was more than enough to create a loss in the product group (–0.6%). There were respectable gain rates for both toothbrushes (+5.7%) and breath fresheners (+6.4%).

Cough remedies gain

In spite of a four-week combined decline of nearly a million units in the antacids and internal analgesics categories, the proprietary remedies group moved ahead 2.0%. This represents a gain of 1.9 million units. The unit increase in cough remedies alone amounted to most of the gain for the entire 14-category product group.

The 2.3% loss in the shaving needs resulted from poor performances in pre-shave lotions (–4.8%), after-shave lotions (–7.0%) and, most importantly from a volume standpoint, razor blades (–4.9%, or half a million units). The national launching of Soft Sense shaving cream by S.C. Johnson helped its category gain 4.2%.

Not too long ago, skin care aids were setting the pace in growth. In the most recent four-week period, however, they suffered the highest loss rate (–4.4%) of any product group. ■